Accountability in the Learning Sector

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AUDITOR GENERAL Alberta

Accountability in the education system

Background

This paper discusses accountability between school jurisdictions, post-secondary institutions and the Ministry of Learning.

In the early 1990s, the Alberta government initiated a process to improve government accountability and performance, broadly known as *Managing for Results*. As part of this initiative, the government changed several processes to:

- clarify who is accountable to whom.
- improve the communication of its goals.
- help management identify and focus on results.
- report results, with outcome measures of performance.

What is accountability?

Accountability is commonly defined as an obligation to answer for how one's assigned responsibilities have been carried out. Accountability requires ministries, departments and other entities to:

- report their results (what they spend and what they achieve) and compared to goals and targets
- explain any differences between their goals and results.

These actions allow Albertans to decide whether the organizations in the education system are doing a good job. They can compare the costs and benefits of the actions of an organization: what it spends, what it tries to achieve (goals), and what it actually achieves (results).

Types of accountability

Structural

Structural accountability, illustrated by business plans and annual reports, is the focus of this paper. The law often creates mechanisms for this formal type of accountability. For example, under section 39(1) of the *School Act*, the Minister of Learning is responsible for prescribing and authorizing courses of study and hours of instruction. The Minister may also adopt or approve goals and standards for education in Alberta.

Managerial

Managerial accountability refers to responsibilities in a contractual or employment relationship. Generally, it is not publicly reported.

Informal

Informal accountability arises in relationships without a legal or contractual requirement for accountability. For example, the coach of a children's soccer team is accountable to the players and their parents, but no legal or contractual requirement for accountability applies to the coach.

Dual
Accountability relationships are not necessarily one-on-one. In complex relationships, different types of accountability are involved: various parties are responsible to various other parties for various things. When there are dual accountabilities the primary accountability is usually to the organization that provides the funding.

When does accountability arise?

Accountability arises when the one party delegates responsibility for a task, function or role to another party. Associated with delegation is some discretion on how the responsibility will be exercised and an obligation to account for how well that responsibility was carried out. Reporting is providing information (an account) of the exercise of responsibilities. One party is accountable to another in the sense that one of the parties has the right to call upon the other to give an account of how he/she has discharged delegated responsibilities. This involves explaining, and if necessary justifying, what has been done, what has not been done, what is currently being done and what is planned. It puts an onus on those reporting to keep good records to explain their actions and results. Delegation of authority without accountability is an abdication and can have disastrous consequences. Many financial failures, in both the public and private sectors, have as a root cause a lack of accountability.

The Legislative Assembly, through laws delegates certain responsibilities and powers to the Minster and to organizations such as school boards and universities. The Assembly also appropriates funds that the Minister allocates to organizations to fulfill their responsibilities. This creates an accountability relationship between the Minister and the Assembly, and organizations and the Minister on behalf of the Assembly.

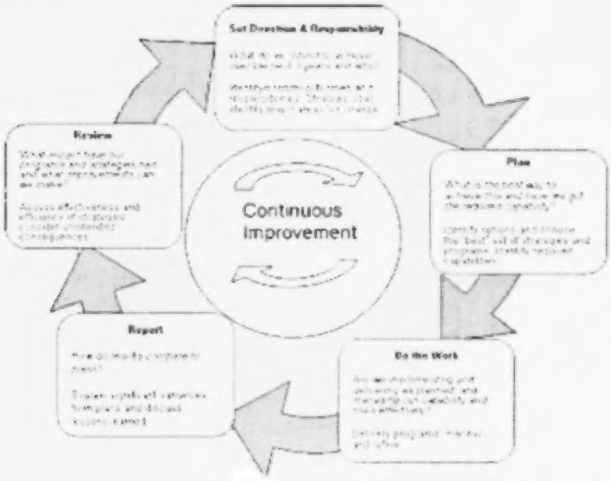
Structure: one way to ensure accountability

A well-designed structure, also known as an accountability framework, allows an organization's governing bodies and management to:

- set measurable goals and responsibilities, including performance targets
- plan what needs to be done to achieve goals, including effective ways to deliver programs and manage significant risks and uncertainties that may reduce success
- deliver services and programs consistent with relevant standards
- monitor progress and modify strategies and programs if necessary
- report on results compared to goals
- evaluate results and use them to set new goals and plan how to achieve them; this involves assessing whether:
    - the accountable party fulfilled its responsibilities such as reporting on a timely basis on a particular set of measures
    - strategies and programs had the intended effect and whether any changes are needed
    - there is evidence of improvement over time
    - to award incentives to the accountable party for good performance (more funding, reduced reporting requirements, public acknowledgement of success)

- to apply penalties or disincentives to the accountable party for poor performance (additional monitoring, remedial plans, increased reporting requirements, consultation with outside experts)

The Accountability Cycle



Accountability in the education system

Accountability in education is sometimes topical. Both the *Fraser Institute* and *MacLean's Magazine* rank schools and universities annually. The *Canadian Teachers' Federation* produced a 2002 paper on teacher and education accountability. Accountability in the education system is important. The public has a key interest in an accountable system: each year, 750,000 Albertans, from kindergarten children to seniors, use it.

In the learning system, responsibility flows from the Legislature to government and the Minister, and then on to school boards, schools, and post-secondary institutions. The Legislature also provides funding, so the parties can fulfill their responsibilities. Accountability flows the opposite way: from school boards, schools, and post-secondary institutions up to the Minister and government and, ultimately, to the Legislature.

The government:

- sets overall direction through its policies and strategies
- allocates funds to ministries
- monitors and reports on progress
- uses results to plan improvements

The Minister, through the Ministry:

- prepares the Ministry three-year business plan
- prepares guidelines for use by school boards and post-secondary institutions to plan and report based on provincial direction

- assesses and reports annually on results and uses results to plan improvements
- identifies provincial priorities for improvement
- allocates funds to organizations
- defines what is included in basic education and standards
- reviews plans and results of school boards and post-secondary institutions for compliance with provincial requirements
- holds school boards and post-secondary institutions accountable for meeting their responsibilities and objectives, and for achieving their results

School boards and post-secondary institutions:
- plan and implement multi-year (generally three- or four-year) education plans aligned with standards and ministry direction
- allocate resources to schools, faculties and programs
- monitor progress
- assess and report results annually to the Minister and other stakeholders and use results to plan improvements

Schools:
- plan and implement three-year education plans aligned with school board direction
- monitor progress
- evaluate their actions and results for further planning
- assess and report results annually to the board and stakeholders, and use results to plan improvements

Faculties:
- plan and implement three-year education plans with institution direction
- monitor progress
- evaluate their actions and results for further planning
- assess and report results annually to stakeholders and use results to plan improvements

Focus on results and performance measures

Guidance on planning and reporting
One way that the ministry ensures accountability is by providing guidance to the parties on how to prepare business plans and annual reports. The ministry requires the parties to report certain results and performance measures for outcomes such as student achievement, high school completion and graduate satisfaction. The plans and reports may also include additional measures that boards consider important and relevant.

Quality performance information
These performance measures must be relevant, reliable, understandable, and unbiased. The ministry also requires the parties to report important trend information. To be understandable, reports should include a selected set of key measures, as too much information will overwhelm readers. The number of measures will vary with the nature of an organization, but generally, a dozen will suffice.

A few key measures are sufficient to assess overall performance in relationship to an organization's main goals. However, to gain a more in depth understanding of performance more specific measures are required. Also, key measures may be composites of a larger number of individual measures. A well designed system will support more detailed assessment and allow for the decomposition of key measures.

Proper conduct of business

Modern notions of accountability have focused on the need to report on results. However, in the public sector it is equally important to achieve these results in proper manner. The concept involves transparency, stewardship, fairness, prudence, and legality. Mechanisms such as codes of conduct, penalties, and an ethics advisor can help ensure proper conduct of business.

CCAF principles for public performance reporting

The CCAF, formally known as the Canadian Comprehensive Auditing Foundation, has set out the following nine principles for public performance reporting in Canada:

1. Focus on the few critical aspects of performance
2. Be forward looking as well as retrospective
3. Identify key strategic risks
4. Disclose and discuss key considerations affecting capacity
5. Disclose and discuss any other critical factors
6. Integrate financial and non-financial information
7. Provide comparative information
8. Base reporting on credible quantitative and qualitative information, fairly reported
9. Disclose the basis on which reporting has been prepared

The first five explain what to report. The last four explain how to report it. See the CCAF website (www.ccaf-fcvi.com) for more information.

Governance: another way to ensure accountability

Governance is the exercise of authority, direction, and control. It involves what to do, not how to do it (which is management's job). Accountability is a critical component of governance. Governance uses both process and structure to bring together capable people and relevant information to achieve goals. The Canadian Institute of Chartered Accountants has issued the following guidelines on the governance role of a board of directors in its publication called *Guidance for Directors – Governance Processes for Control*:

- Approving and monitoring mission, vision and strategy
- Approving and monitoring the organization's ethical values
- Monitoring management control
- Evaluating senior management
- Overseeing external communications
- Assessing the board's effectiveness

The publicly funded education system in Alberta has begun to put in place many elements of good governance. These include:

- corporate plans, such as the ministry plan in *Budget 2003* that set out corporate objectives and strategies
- public sector and agency values
- business planning
- governance committees, such as audit committees
- control structures, including risk management, performance assessment, and performance monitoring (including evaluation and review)

As governance processes evolve in an organization, these elements become part of the way the organization operates. Good governance should exist at all levels of an organization, not just at the corporate level. It should also be apparent to all staff and evident in their behavior and attitudes. It will reinforce accountability.

Conclusion

This paper includes discussion of concepts relating to accountability in general as well as to the publicly funded education systems in Alberta. The Learning Ministry has taken steps, notably focusing on measurement of outcomes on a system-wide basis that will help it progress in "*Managing for Results*". These steps should allow management to change focus from activities and inputs to the results or outcomes of those activities.